



CITY OF NEWPORT BEACH

OFFICE OF THE CITY CLERK
P.O. BOX 1768, NEWPORT BEACH, CA 92658-8915

(714) 644-3005

*Copy to Finance,
Bob Dixon re
"CCWD"
1-31-89*

TO: FINANCE DIRECTOR

FROM: CITY CLERK

DATE: January 31, 1989

SUBJECT: Contract No. C-2570

Description of Contract Amendment to City's Annexation

Agreement to Orange County Water District

Effective date of Contract November 9, 1988

Authorized by Minute Action, approved on January 9, 1989

Contract with Orange County Water District

Address P.O. Box 8300

Fountain Valley, CA 92728-8300

Amount of Contract (See Agreement)

Wanda E. Raggio

Wanda E. Raggio
City Clerk

WER:pm

Attachment

3300 Newport Boulevard, Newport Beach

BY THE CITY COUNCIL
CITY OF NEWPORT BEACH

January 9, 1989
CITY COUNCIL AGENDA
ITEM NO. F-3(a)

JAN 9 1989

APPROVED

6 2676

TO: MAYOR STRAUSS AND MEMBERS OF THE CITY COUNCIL

From: Utilities Director

SUBJECT: PROPOSED AMENDMENT TO CITY'S ANNEXATION
AGREEMENT TO ORANGE COUNTY WATER DISTRICT

RECOMMENDATION:

Approve the amendment to the annexation agreement to allow the district an additional two months to compute the annexation fee.

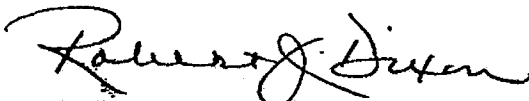
Background:

In August 1986, the City Council approved an annexation agreement with the Orange County Water District. Under the terms of this annexation, the City of Newport Beach became a member of the district with the right to draw water from the underground water basin. The annexation agreement set forth a timetable for computation and payment of an annual fee for membership in the district. Experience has shown that the timetable does not provide sufficient time for the District to obtain all the necessary figures to make the required calculations in a manner that is adequate for normal business practices.

The agreement also set forth conditions and charges for late payments. These have been clarified and made to conform with normal business practice. Funds for the City's annual payment have been reserved in the current Water Division budget.

The Water Committee reviewed this amendment at its meeting on December 27, 1988 and recommend its approval.

Respectfully submitted,



Robert J. Dixon
Utilities Director

AMENDMENT TO ANNEXATION AGREEMENT

This amendment entered into as of November 9, 1988, by and between the Orange County Water District (hereinafter, "OCWD") and the City of Newport Beach (hereinafter, "CITY").

RECITALS

WHEREAS, OCWD and CITY entered into an agreement dated August 20, 1986 (also known as Annexation 86-1) to annex approximately 8863 acres to OCWD; and

WHEREAS, Section Three of said agreement provides for the reporting and payment of an annual annexation charge to OCWD; and

WHEREAS, it is mutually agreed that the timing required for said report and its payment is not adequate for normal business practice to remit said payment.

NOW THEREFORE, in consideration of the matters set forth in the foregoing recitals and the terms, covenants and conditions hereinafter contained, the parties do hereby agree as follows:

1. Paragraphs 3.1, 3.2 and 3.3 of SECTION THREE: PAYMENT OF ANNUAL ANNEXATION CHARGE shall be amended as follows:

3.1 CITY shall file with OCWD, on or before the 15th day of December of each year after the effective date of the inclusion of the Subject Territory within the boundaries of OCWD, an "Annexation Charge Report" in the form set forth in Exhibit "C" hereto, setting forth (a) the greater of either the total water demand within the Subject Territory within the preceding water year, or ten percent (10%) of the ultimate annual total water demand within the Subject Territory; and (b) the percentage of groundwater produced and used within service area of CITY during the preceding water year. The water year shall be measured from the first day of July of each year to the 30th day of June of each succeeding year. The Annexation Charge Report shall be verified by a written declaration executed under penalty of perjury. OCWD shall have the right, upon forty-eight (48) hours notice to CITY, to inspect any and all books, records and other writings pertaining to the data contained in any Annexation Charge Report filed or to be filed by CITY.

3.2 On or before the 31st day of January of each year, CITY shall pay to OCWD the annual Annexation Charge for the preceding water year, based upon the formula set forth in Section Two hereinabove and the date contained in the Annexation Charge Report covering that water year. CITY deposits all revenues received from CITY's operation of its water utility system in a fund separate from CITY's general fund and other funds, and the parties mutually recognize that CITY's ability to make timely payments of the Annual Annexation Charge may be inhibited by the funds available from the revenues deposited in the CITY's water utility fund; however, the CITY's allocation of revenues to its water utility, general and other funds shall not affect the provisions of paragraph 3.3 hereinbelow.

3.3 If CITY shall fail to pay the full amount due as the Annual Annexation Charge by January 31 for any preceding water year, OCWD shall assess a penalty charge against CITY in the amount of ten percent (10%) of the amount delinquent as of that date and,

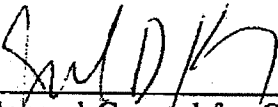
in addition thereto, shall charge interest on the delinquent amount at the rate of one and one-half percent (1.5%) each month or fraction thereof for which the amount due remains delinquent. Should CITY fail to file with OCWD an Annexation Charge Report by December 15 for any preceding water year, OCWD shall, in addition to assessing the penalty and charging interest on the delinquent annual Annexation Charge as set forth hereinabove, assess an additional penalty charge against CITY in the amount of ten percent (10%) of the amount of the annual Annexation Charge found by OCWD to be due as of the December 15 date.

2. Each and every other term, covenant and condition of said Agreement not listed herein and expressly modified is hereby ratified and confirmed and shall remain in full force and effect.


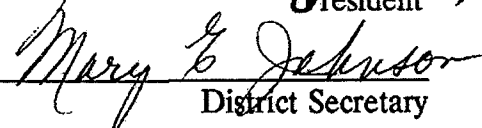
IN WITNESS WHEREOF the parties hereto have executed this Amendment as of the day and year first hereinabove written.

APPROVED AS TO FORM:

RUTAN & TUCKER

By 
General Counsel for ORANGE
COUNTY WATER DISTRICT

ORANGE COUNTY WATER DISTRICT


By 
President
By 
District Secretary

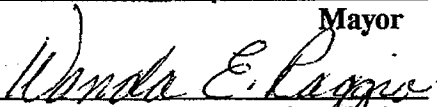
APPROVED AS TO FORM:

Robert Burnham, City Attorney

By 

CITY OF NEWPORT BEACH

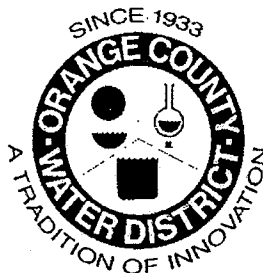
By 
Mayor

By 
City Clerk



Directors

PHILIP L. ANTHONY
KATHRYN L. BARR
JOHN V. FONLEY
JOHN GARTHE
DONN HALL
LAWRENCE P. KRAEMER JR.
AUGUST F. LENAIN
GEORGE OSBORNE
LANGDON W. OWEN
NOBLE J. WAITE



ORANGE COUNTY WATER DISTRICT

Officers

LAWRENCE P. KRAEMER JR.
President
KATHRYN L. BARR
First Vice President
LANGDON W. OWEN
Second Vice President
—
WILLIAM R. MILLS JR.
General Manager
MARY E. JOHNSON
District Secretary

January 24, 1989

City of Newport Beach
Post Office Box 1768
Newport Beach, CA 92658-8915

Attention Mr. Robert J. Dixon, Director of Utilities

Annexation 86-1

Enclosed are three copies, executed on behalf of this District, of Amendment to Annexation Agreement for the referenced City of Newport Beach annexation to OCWD.

Upon execution by the City, please return one fully executed copy to this office.

Very truly yours,

Mary E. Johnson
District Secretary/
Director of Administration

bw
Enclosures

MAILING ADDRESS: P.O. BOX 8300
FOUNTAIN VALLEY, CA 92728-8300

10500 ELLIS AVENUE, FOUNTAIN VALLEY
TELEPHONE (714) 963-5661
FAX (714) 963-7472



CITY OF NEWPORT BEACH

OFFICE OF THE CITY CLERK
P.O. BOX 1768, NEWPORT BEACH, CA 92658-8915

(714) 644-3005

Copy to Finance
9/4/86

TO: FINANCE DIRECTOR
Utilities Department

FROM: CITY CLERK

DATE: September 4, 1986

SUBJECT: Contract No. C-2570

Description of Contract Agreement between Orange County Water
District and the City of Newport Beach regarding Annexation to
Orange County Water District

Effective date of Contract August 20, 1986

Authorized by Minute Action, approved on May 12, 1986

Contract with Orange County Water District

Address P.O. Box 8300

Fountain Valley, CA 92728-8300

Amount of Contract (See Agreement)

Wanda E. Raggio

Wanda E. Raggio
City Clerk

WER:pm

Attachment

TO: CITY COUNCIL

FROM: Utilities Director

SUBJECT: ANNEXATION TO ORANGE COUNTY WATER DISTRICT

C-2570

RECOMMENDATION: Approve agreement between the City of Newport Beach and the Orange County Water District.

DISCUSSION:

The Orange County Water District (OCWD) was created for the purpose of protecting and managing the Orange County Groundwater Basin. Currently about 1,165 acres (13%) of the City is within the District Boundaries of OCWD.

The City desires to annex the entire City to OCWD in order to provide a partial backup water supply of groundwater and to prevent the potential for unlawful exportation to lands outside the OCWD boundaries.

If the annexation is approved the City would pay the annual annexation charge set forth in Section Two of the attached agreement. The annexation charge will be based on the following formula:

- X = Annexation Charge
- A = Basin Production Percentage established by OCWD.
- B = The greater of either (a) the total water demand within the newly annexed area during the current year; or (b) an amount equal to 10% of the ultimate annual water demand within the newly annexed area.
- C = The total Ad Valorem property tax revenues collected by OCWD, plus annexation fees, plus the pass-through tax increments received from redevelopment agencies.
- D = Total quantity of groundwater produced within the boundaries of OCWD.
- E = The applicable percentage based upon the percentage of groundwater produced and used within the service area of the City, based upon the following table:

<u>Percent Groundwater Used Within Service Area of City</u>		<u>Applicable Percentage</u>
0	- 5.99	10%
6.0	- 9.99	16%
10.0	- 14.99	25%
15.0	- 19.99	30%
20.0	- 24.99	40%
25.0	- 29.99	48%
30.0	- 34.99	55%
35.0	- 39.99	64%
40.0	- 44.99	72%
45.0	- 49.99	80%
50.0	- 100.00	100%

BY THE CITY COUNCIL
CITY OF NEWPORT BEACH

MAY 12 1986

APPROVED

Sample Calculations

Assumption:

$$A = .0.70$$

$$B = 18,000 \text{ acre feet}$$

$$\frac{C}{D} = \$18.00$$

$$E = \text{From Table}$$

1. Annexation charge if no basin water is used.

$$\begin{aligned} X &= A \times B \times \frac{C}{D} \times E \\ &= 0.70 \times 18,000 \times 18.00 \times 10\% \\ &= \$22,680 \end{aligned}$$

2. Annexation charge if 3,000 Acre-Foot is used.

$$\begin{aligned} \left(\frac{3,000}{20,000} = 0.15 \right) \\ X &= A \times B \times \frac{C}{D} \times E \\ &= 0.70 \times 18,000 \times 18.00 \times 30\% \\ &= \$68,040 \end{aligned}$$

$$\text{Cost per A.F.} = \frac{\$68,000}{3,000} = \$22.67/\text{A.F.}$$

3. Annexation charge if 10,000 Acre-Foot is used.

$$\begin{aligned} \left(\frac{10,000}{20,000} = 0.50 \right) \\ X &= A \times B \times \frac{C}{D} \times E \\ &= 0.70 \times 18,000 \times 18.00 \times 1.00 \\ &= \$226,800 \end{aligned}$$

$$\text{Cost per A.F.} = \frac{\$226,800}{10,000} = \$22.68$$

The average Ad Valorem paid throughout the District is approximately \$18.00 per acre foot. Should the District, at some future date, forego the Ad Valorem Tax the annexation charge will cease.

The City will be responsible for all direct fees in connexion with the processing and completion of the annexation. The agreement has been reviewed by the Water Committee and the City Attorney.


Joseph T. Devlin
Utilities Director

JTD:hh

AGREEMENT BETWEEN ORANGE COUNTY WATER DISTRICT AND
THE CITY OF NEWPORT BEACH REGARDING ANNEXATION TO
ORANGE COUNTY WATER DISTRICT

THIS AGREEMENT, entered into as of August 20, 1986,
1986, by and between the ORANGE COUNTY WATER DISTRICT
(hereinafter, "OCWD") and the CITY OF NEWPORT BEACH (hereinafter,
"CITY").

RECITALS

A. OCWD was created by special act of the California Legislature (Ch. 924, Stats. 1933, as amended) for the purpose of protecting and managing the Orange County groundwater basin. The OCWD Act empowers OCWD to manage the groundwater basin and to provide for conservation and regulation of the quantity and quality of water within the groundwater basin. OCWD further has the authority, pursuant to its enabling legislation, to prevent the exportation of groundwater resources from its boundaries. The boundaries of OCWD are located within the County of Orange, State of California, and include a significant portion of the lands within the boundaries of CITY.

B. CITY is a chartered municipal corporation whose boundaries are located within the County of Orange, State of California. Currently about 1,165 acres of the lands within the boundaries of CITY are within the boundaries of OCWD. The CITY (smaller area than current size) was originally in OCWD when it was formed in 1933 but deannexed in 1950 due to loss of City wells to seawater intrusion. Most of the area currently within OCWD is served water by Mesa Consolidated Water District or Santa Ana Heights Water Company.

C. CITY is within the boundaries of The Metropolitan Water District of Southern California (hereinafter, "MWD"), and provides retail water service to the residents and water users within its municipal boundaries. In order to provide such retail water service, CITY purchases water from MWD through the Coastal Municipal Water District (hereinafter, "CMWD"), and currently produces no groundwater from the Orange County groundwater basin managed and regulated by OCWD.

D. Approximately 8863 acres of land within the boundaries of CITY, (which land is more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference, and is hereinafter referred to as the "Subject Territory") is within the adopted sphere of influence, but not currently within the boundaries, of OCWD. A plat showing the boundaries of the Subject Territory, CITY, and relevant portions of OCWD is attached hereto as Exhibit "B".

E. CITY desires to annex the Subject Territory to OCWD in order to provide a partial backup water supply of groundwater and to prevent the potential for unlawful exportation to lands outside the OCWD boundaries of groundwater produced from the Orange County groundwater basin, and in order that the Subject Territory may benefit from inclusion within OCWD. OCWD desires to annex the Subject Territory in order to provide better management, regulation and control over the Orange County groundwater basin and its resources.

F. Sections 50, 54 and 55 of the OCWD Act authorize OCWD to impose upon lands proposed to be annexed such reasonable terms and conditions as OCWD determines just.

G. CITY desires to enter into this Agreement with OCWD, and further to pay the annual Annexation Charge set forth in Section Two hereinbelow, in order that the Subject Territory may be annexed to OCWD and receive the benefits set forth in the OCWD Act accruing to lands within the boundaries of OCWD.

NOW, THEREFORE, in consideration of the facts recited above, and the covenants, conditions and promises contained herein, the parties hereto agree as follows:

SECTION ONE: ANNEXATION OF LANDS TO OCWD

1.1 OCWD shall, within six months from the date of this Agreement, sponsor legislation to amend Section 1 of the jurisdictional boundaries of OCWD or initiate proceedings under the District Reorganization Act of 1965, Government Code Section 56000, et seq., and support the annexation to OCWD of the Subject Territory upon the conditions hereinafter set forth.

1.2 CITY shall be solely responsible for (a) all direct costs and fees imposed or required by any governmental body or agency having jurisdiction over the processing and completion of the annexation of the subject territory to OCWD, and (b) preparing any legal descriptions, boundary surveys or maps required for the processing and completion of such annexation.

SECTION TWO: DETERMINATION OF ANNUAL ANNEXATION CHARGE

2.1 For and during the term of this Agreement, CITY shall pay to OCWD an annual "Annexation Charge" computed and calculated pursuant to the following formula: $X = A \times B \times (C/D) \times E$ (hereinafter, the "Annexation Charge Formula"). Should any

portion of Subject Territory at any time become the actual service area of any water retailer other than CITY it will be the responsibility of CITY to either (a) make the reports and payments of the annexation charge as set forth in Section Three of this Agreement for said portion of Subject Territory or (b) initiate and execute a fee shift agreement with the incoming water agency, incorporating all of the terms and conditions of this Annexation Agreement and containing the approval and acknowledgment of said fee shift agreement by OCWD.

2.2 For purposes of computing the Annexation Charge Formula in paragraph 2.1 hereinabove:

- (a) The term "X" shall mean the annual Annexation Charge to be paid by City to OCWD.
- (b) The term "A" shall mean the basin production percentage established by OCWD during the current water year pursuant to Section 31.5(d) of the OCWD Act.
- (c) The term "B" shall mean the greater of either (a) the total water demand within the Subject Territory during the current water year; or (b) an amount equal to ten percent (10%) of the ultimate annual water demand within the Subject Territory, as determined annually by OCWD.
- (d) The term "C" shall mean the total ad valorem property tax revenues collected by OCWD as disbursed by the County of Orange, plus annexation fees paid to OCWD, plus the pass-through tax increments received from Redevelopment Agencies within OCWD, during the preceding fiscal year (March 1 - February 28)."

- (e) The term "D" shall mean the total quantity of groundwater produced within the boundaries of OCWD during the preceding water year.
- (f) The term "E" shall mean the applicable percentage based upon the percentage of groundwater produced and used within the service area of CITY during the current water year, based upon the following table:

<u>Percent Groundwater Used Within Service Area of City</u>	<u>Applicable Percentage</u>
0 - 5.99	10%
6.0 - 9.99	16%
10.0 - 14.99	25%
15.0 - 19.99	30%
20.0 - 24.99	40%
25.0 - 29.99	48%
30.0 - 34.99	55%
35.0 - 39.99	64%
40.0 - 44.99	72%
45.0 - 49.99	80%
50.0 - 100.00	100%

SECTION THREE: PAYMENT OF ANNUAL ANNEXATION CHARGE

3.1 CITY shall file with OCWD, on or before, the 31st day of October of each year, after the annexation of subject territory, as described in paragraph 1.1 hereinabove, including the Subject Territory, within the boundaries of OCWD, an "Annexation Charge Report" in the form set forth in Exhibit "C" hereto, setting forth (a) the greater of either the total water demand within the Subject Territory within the preceding water year, or ten percent (10%) of the ultimate annual total water demand within the Subject Territory; and (b) the percentage of groundwater produced and used within the service area of CITY

during the preceding water year. The water year shall be measured from the first day of July of each year to the 30th day of June of each succeeding year. The Annexation Charge Report shall be verified by a written declaration executed under penalty of perjury. OCWD shall have the right, upon forty-eight (48) hours notice to CITY, to inspect any and all books, records and other writings pertaining to the data contained in any Annexation Charge Report filed or to be filed by CITY.

3.2 On or before the 30th day of November of each year, CITY shall pay to OCWD the annual Annexation Charge for the preceding water year, based upon the formula set forth in Section Two hereinabove and the data contained in the Annexation Charge Report covering that water year.

3.3 If CITY shall fail to pay the full amount due as the Annual Annexation Charge by November 30 for any preceding fiscal year, OCWD shall charge interest on the delinquent amount at the rate of one percent (1%) each month or fraction thereof for which the amount due remains delinquent. Should CITY fail to file with OCWD an Annexation Charge Report by October 31 for any preceding water year, OCWD shall, in addition to charging interest on the delinquent annual Annexation Charge as set forth hereinabove, assess a penalty charge against CITY in the amount of ten percent (10%) of the amount of the annual Annexation Charge found by OCWD to be due.

SECTION FOUR: CONDITIONS SUBSEQUENT

4.1 Performance of CITY's obligations to timely file annual Annexation Charge Reports and pay annual Annexation Charges under

this Agreement is conditioned upon the inclusion of the Subject Territory within the boundaries of OCWD. In this regard, both OCWD and CITY shall cooperate and use their best efforts to support the enactment of legislation to be sponsored by OCWD pursuant to Paragraph 1.1 hereinabove, for the inclusion of the Subject Territory within the boundaries of OCWD. In the event that the Subject Territory cannot for any reason be included within the boundaries of OCWD, CITY shall have no obligation to file annual Annexation Charge Reports or pay annual Annexation Charges as set forth hereinabove; provided, however, that the obligation of CITY to pay all direct costs actually incurred by OCWD in connection with the initiation and processing of such annexation, as set forth and described in Section 1.2 hereinabove, shall remain in full force and effect.

4.2 In the event that OCWD should, at some future date, either choose, or be required by law, to forego all ad valorem tax revenues collected from property within the boundaries of OCWD, then the obligation of CITY to pay the annual Annexation Charge and file the annual Annexation Charge Report, as set forth hereinabove, shall thereupon cease.

SECTION FIVE: COMPLIANCE WITH OCWD ACT AND POLICIES

Upon the completion of annexation to OCWD, the Subject Territory shall be subject to all of the provisions of the OCWD Act and all of the rules, regulations, policies and requirements adopted or promulgated by OCWD and its Board of Directors.

SECTION SIX: MISCELLANEOUS

6.1 All notices, payments, transmittals of documentation and other writings required or permitted to be delivered or transmitted to any of the parties hereto under this Agreement shall be personally served or deposited in a United States mail depository, first class postage prepaid, and addressed as follows:

If to OCWD: ORANGE COUNTY WATER DISTRICT
P.O. Box 8300
Fountain Valley, CA 92728-8300
Attention: Secretary Manager

If to CITY: CITY OF NEWPORT BEACH
P.O. Box 1768
Newport Beach, CA 92658-8915
Attention: Director of Public Utilities

or such other address as OCWD or CITY shall direct in writing. Service of any instrument or writing by mail shall be deemed complete forty-eight (48) hours after deposit in a United States mail depository.

5.2 OCWD and CITY mutually agree that the terms of this Agreement, or a general description of the terms thereof, may be set forth in the legislation described in Paragraph 1.1 hereinabove.

5.3 The term of this Agreement shall be for so long as the Subject Territory is included within the boundaries of OCWD.

5.4 This Agreement shall be constructed according to its plain meaning and as if prepared by all parties hereto. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

5.5 This Agreement represents the entire understanding of OCWD and CITY as to those matters contained herein. No prior

oral or written understanding shall be of any force or effect with respect to those matters covered by this Agreement. This Agreement may not be modified, altered or amended except in writing by the parties hereto.

5.6 All of the terms, conditions and provisions of this Agreement shall inure to the benefit of, and be binding upon, OCWD and CITY, and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

APPROVED AS TO FORM:
RUTAN & TUCKER

By *Michael M. Dahl*
Counsel for
ORANGE COUNTY WATER DISTRICT

ORANGE COUNTY WATER DISTRICT

By *John V. Fendley*
President

By *Neil M. Cline*
Secretary Manager

APPROVED AS TO FORM:

By *James H. ...*
City Attorney,
CITY OF NEWPORT BEACH

CITY OF NEWPORT BEACH

By *Philip ...*
Mayor

Attest: *Wanda E. Raggio*
City Clerk

NLR:A-NewBch:rev 8/15/86 bbw

ROBERT BEIN, WILLIAM FROST & ASSOCIATES
1401 Quail Street
Newport Beach, California 92660-2748

Revised August 6, 1986
August 20, 1985
JN 23131/L3
Page 1 of 2

LEGAL DESCRIPTION

ANNEXATION OF A PORTION OF THE CITY OF NEWPORT BEACH
AND ADJOINING TERRITORIES
TO THE ORANGE COUNTY WATER DISTRICT

That portion of the County of Orange, State of California, described as follows:

BEGINNING at an angle point in the existing boundary line of the Orange County Water District as established by the legislature of the State of California, said angle point being the intersection of the centerline of MacArthur Boulevard with the northeasterly line of the southwesterly one-half of the southwesterly one-half of Block 57 of Irvine's Subdivision as shown on a map recorded in Book 1, Page 88 of Miscellaneous Record Maps in the Office of the County Recorder of said Orange County; thence in a general northerly direction along said existing boundary line to an intersection with the northwesterly boundary line of the City of Newport Beach as established by Ordinance No. 837, approved by the City Council of Newport Beach on October 28, 1957; thence leaving said existing boundary line of the Orange County Water District and southwesterly along said northwesterly boundary line and northwesterly along the northeasterly boundary line of the City of Newport Beach as established by Ordinance No. 748, approved by the City Council of Newport Beach on April 25, 1955 to an intersection with said existing boundary line of the Orange County Water District; thence leaving said northeasterly boundary line of the City of Newport Beach and in a general southwesterly and northwesterly direction along said existing boundary line to the line of ordinary high-tide of the Pacific Ocean being the intersection of said line of high-tide with the southwesterly prolongation of the southeasterly line of Summit Street; thence continuing along said boundary line of the Orange County Water District northwesterly and southwesterly to a point in the Pacific Ocean distant three miles, more or less, from said line of ordinary high tide; thence leaving said water district boundary line in a general southeasterly direction along a line parallel with, and three miles southwesterly from, said line of ordinary high tide to the most westerly corner of the City of Newport Beach; thence in a general southeasterly direction along the southwesterly boundary line of the City of Newport Beach parallel with said line of ordinary high-tide and three miles therefrom to the southerly corner of the City of Newport Beach as established by Resolution No. 7243, approved by the City Council of Newport Beach on July 27, 1970; thence in a general northerly direction along said boundary line of the City of Newport Beach as established by said Resolution No. 7243 and as established by Ordinance No. 843, approved by the City Council of Newport Beach on April 14, 1958; by Resolution No. 7024, approved by the City Council of Newport Beach on July 14, 1969; by Ordinance No. 897, approved by the City Council of Newport Beach on September 28, 1959; by Resolution No. 9208, approved by the City Council of Newport Beach on October 25, 1977; by said Ordinance No. 897; by Ordinance No. 585, approved by

EXHIBIT "A"

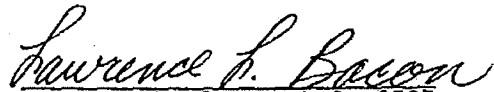
Robert Bein, William Frost & Associates
Annexation of a portion of the City of Newport Beach and
adjoining territories to the Orange County Water District

Rev. August 6, 1986
August 20, 1986
JN 23131/L3
Page 2 of 2

the City Council of Newport Beach on December 13, 1948; by Ordinance No. 896, approved by the City Council of Newport Beach on August 18, 1959; by Resolution No. 6203, approved by the City Council of Newport Beach on August 9, 1965; by Resolution No. 7377, approved by the City Council of Newport Beach on February 22, 1971; by Resolution No. 7311, approved by the City Council of Newport Beach on November 23, 1970; by Resolution No. 8508, approved by the City Council of Newport Beach on June 9, 1975; by said Resolution No. 7311; by Resolution No. 6753, approved by the City Council of Newport Beach on April 22, 1968; by Resolution No. 7245, approved by the City Council of Newport Beach on July 27, 1970; and by Ordinance No. 840, approved by the City Council of Newport Beach on January 13, 1958 to an intersection with said northeasterly line of the southwesterly one-half of the southwesterly one-half of Block 57 of Irvine's Subdivision; thence easterly along said northeasterly line to the POINT OF BEGINNING.

CONTAINING: 23219 Acres, more or less.

EXHIBIT "B" attached and by this reference made a part hereof.


Lawrence L. Bacon, L.S. 3527

PRODUCER

**
**
**

ORANGE COUNTY WATER DISTRICT
P. O. Box 8300
Fountain Valley, CA 92728-8300
(714) 963-5661 or 556-8260

ANNEXATION CHARGE - WATER YEAR 86/87

Payment due hereunder is to be received by OCWD
no later than November 30, 1987.

Annexation Area: *

The Orange County Water District Board of Directors has determined the
1986/87 groundwater production within the District to be D* AF.

Annexation Charge Formula (A x B x C/D x E)

As reported in your 86/87 Annexation Charge Report,

$A^* \times B^* \times C^*/D^* \times E^* = \* Due 11/30/87

Enclosed is check or money order No. _____ on _____ for \$ _____
(bank number)

EXHIBIT "C"
(Subject to Modification)

AnxChg:NLR:bmc:7/18/85

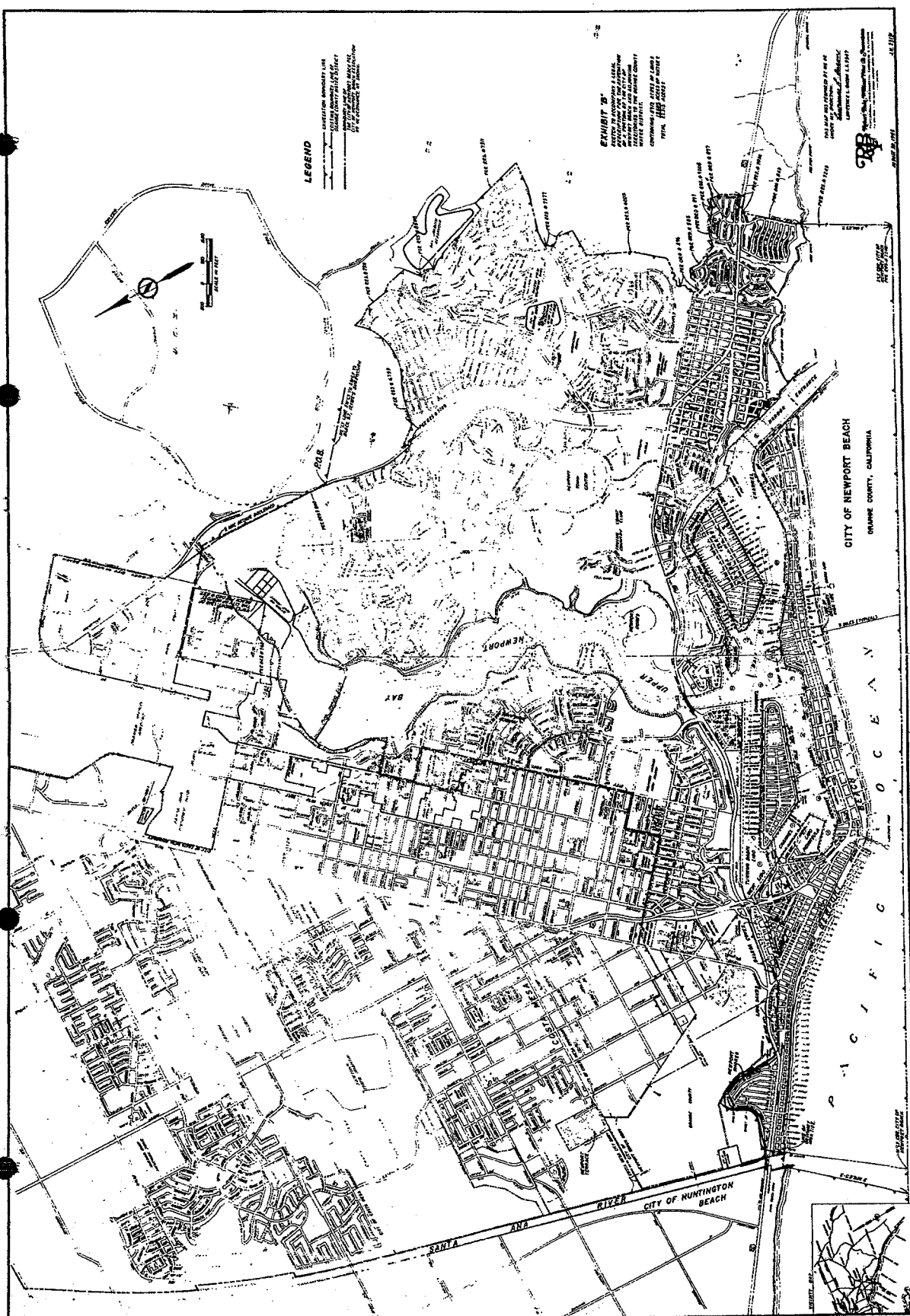


EXHIBIT "B"



CITY OF NEWPORT BEACH

OFFICE OF THE CITY CLERK
P.O. BOX 1768, NEWPORT BEACH, CA 92658-8915

(714) 644-3005

September 3, 1986

Mary E. Johnson, Administrative Officer
Orange County Water District
P.O. Box 8300
Fountain Valley, CA 92728-8300

Dear Ms. Johnson:

Enclosed please find a original Agreement between Orange County Water District and the City of Newport Beach regarding Annexation to Orange County Water District, which was approved by the City Council at its May 12, 1986 meeting and was fully executed."

Should you have any questions, please contact Joseph Devlin, Utilities Director or this office.

Sincerely,

Wanda E. Raggio
Wanda E. Raggio
City Clerk

WER:pm

cc: Utilities Department

Enclosure(s)

3300 Newport Boulevard, Newport Beach

CITY OF NEWPORT BEACH
UTILITIES DEPARTMENT

August 26, 1986

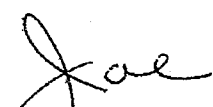
TO: CITY CLERK
FROM: Utilities Director
SUBJECT: ANNEXATION TO ORANGE COUNTY WATER DISTRICT

On May 12, 1986 the City Council approved the attached agreement between the City and the Orange County Water District. The agreement has been signed by the District pursuant to approval by the OCWD Board of Directors at its August 20, 1986 meeting.

Please arrange for the execution of the document on behalf of the City, and return the fully executed original to:

Mary E. Johnson, Administrative Officer
Orange County Water District
P. O. Box 8300
Fountain Valley, CA 92728-8300

The copy is for the City files.


Joseph T. Devlin
Utilities Director

JTD:bc